

Chairman: David Vaught

Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

July 1, 2013

Bill Grunloh
Chief Procurement Officer
Illinois Department of Transportation
Executive Ethics Commission
2300 S. Dirksen Pkwy
Room 200
Springfield, Illinois 62764

Re: 50-35 Potential Conflict of Interest, from the June 14, 2013 Letting, Item 76 & 164

Dear Mr. Bill Grunloh,

In accordance with the requirements of Section 50-35 of the Illinois Procurement Code, I have reviewed your request received June 28, 2013 and understand the facts to be as follows:

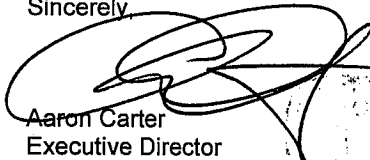
- 1) The Illinois Department of Transportation has issued a request for a review and comment on potential conflicts of interest disclosed by Illinois Valley Paving.
- 2) The contract pertains to the contract for construction related services in Macon County.
- 3) Illinois Valley Paving was selected using competitive sealed bidding.
- 4) The disclosure form submitted on behalf of Illinois Valley Paving indicates the following:
 - a. The Disclosure Form A submitted on behalf of Stephan A. Cullinan, M.D., an individual with an ownership interest and distributive income of more than 60% of the Governor's salary, indicates that Mr. Cullinan is the Chief Medical Officer of Health Professional, Ltd, and a minority shareholder in Correctional Healthcare Companies, Inc. Health Professionals, Ltd. is a health care company that provides medical management services to inmates at various Illinois Department of Corrections facilities Statewide. Dr. Cullinan is in no position to influence the competitively sealed bidding process from the position he holds.
- 5) The Illinois Department of Transportation confirmed that none of the disclosed individuals were in a position to influence the award of this contract. The Illinois Department of Transportation and CPO Bill Grunloh indicate that it would be in the best interest of the State to approve this conflict of interest due to the using agency's needs and the value of the contract.

Based on the foregoing, you are requesting my review and comment pursuant to the Illinois Procurement Code.

Review and Comment

After careful review of the documentation provided, I do not view the relationships disclosed above as creating a conflict of interest sufficient to preclude the Illinois Department of Transportation from entering into a contract with Illinois Valley Paving for the services outlined in your letter received June 28, 2013.

Sincerely,



Aaron Carter
Executive Director

Cc: EEC General Counsel

RECEIVED
JUL 1 2013
ILLINOIS DEPARTMENT OF TRANSPORTATION



CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

June 28, 2013

Procurement Policy Board
222 South College Street, Suite 231
Springfield, IL 62704

RE: Conflict of Interest Disclosure Illinois Valley Paving, A Division of United Contractors Midwest Inc. (IVP), lowest responsible and responsive bidder for Letting Items 76 & 164 from the June 14, 2013 letting

Mr. Carter:

Attached is a potential conflict of interest form for IVP, lowest responsible and responsive bidder for Letting Items 76 & 164 from the April 26, 2013 letting by the Department of Transportation. Item 76 consists of patching and resurfacing on Illinois Route 121 from 2200th Avenue and continues east to 2300th Ave. in Latham. Item 164 consists of patching, milling and resurfacing on Illinois Route 48 from Pershing Road to Cundiff Road in Decatur.

IVP was selected via competitively sealed bidding process. A description of the contracts and low bid amounts are enclosed with this letter and conflict of interest checklist. These contracts are in the Department's interests of maintaining roadways to ensure the safety of the motoring public.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Dr. Cullinan is an individual who holds an interest in UCM in excess of the statutory thresholds. Illinois Valley Paving is a division of UCM, as this is why this is being disclosed on UCM's disclosure and all disclosures for the divisions of UCM.

Health Professionals, Ltd. provides medical management and services to inmates at the following Illinois Department of Corrections facilities: IYC - St. Charles, IYC - Joliet, IYC - Warrenville, IYC - Chicago.

- 1) Illinois Youth Center, St. Charles, IL:
 - a. Start Date: 7/1/07
 - b. End Date: 6/30/2012
 - c. Contract #: 9903001
- 2) Illinois Youth Center, Joliet, IL:
 - a. Start Date: 7/1/07
 - b. End Date: 6/30/2012
 - c. Contract #: 9903001
- 3) Illinois Youth Center, Warrenville, IL:
 - a. Start Date: 7/1/07
 - b. End Date: 6/30/2012
 - c. Contract # 9903001
- 4) Illinois Youth Center, Chicago IL:
 - a. Start Date: 7/1/07
 - b. End Date: 6/30/2012
 - c. Contract # 9903001

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

This conflict has been reviewed by our office, and it has been determined this is not an actual conflict and will not interfere in the execution of this contract.

If you have any questions concerning this request, please Jim Layden of the Bureau of Design and Environment, Plans and Contracts Unit, at 217-782-7806.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gretchen Tucka', written in a cursive style.

Gretchen Tucka,
State Purchasing Officer

Enclosures

STATE OF ILLINOIS
PROCUREMENT POLICY BOARD
CONFLICT OF INTEREST REVIEW
CHECKLIST

Please ensure that the following documents are included with your request:

- ☒ Cover letter with overview of the potential Conflict of Interest
- ☒ Conflict of Interest Review Request Form
- ☒ Copy of Proposed Contract*
- ☒ Any Prequalification Information Submitted by the Vendor
- ☒ Prior Procurement Policy Board/Office of the Governor Conflict of Interest Review Letter for this Vendor
- ☒ Copy of the Disclosure/Certification Documents Submitted by the Vendor

*may be the proposed contract sent in with a RFP response, a copy of the solicitation response, etc.

Please scan original documents** with signatures and email to:

aaron.carter@illinois.gov
cc: deanna.rossetto@illinois.gov

If you are unable to scan and email the original signed documents, please send to:

Procurement Policy Board
222 South College Street, Suite 231
Springfield, IL 62704

**If you scan and email the original documents, please do not send the original documents to our office. Please keep the documents in your procurement file.

CONFLICT OF INTEREST REVIEW REQUEST FORM

The following information must be filled in as accurately and completely as possible. This form will be sent to the Procurement Policy Board providing essential information needed to review and determine if an actual conflict of interest exists, which is sufficient to preclude the State from entering into the attached proposed contract pursuant to section 50-35(d) of the Illinois Procurement Code.

CONTRACTING AGENCY INFORMATION

Using Agency: Department of Transportation
Address: 2300 S. Dirksen Parkway City/State: Springfield, IL
Contact Person: Jim Layden Title: Acting Chief Contracts Official
Phone: 217.782.7806 Fax: 217.785.1141
Email: Jim.Layden@illinois.gov

VENDOR INFORMATION FOR VENDOR WITH POTENTIAL CONFLICT

This Vendor is: ☒ Prime Vendor ☐ Sub-contractor
Name of Vendor: Illinois Valley Paving
Address: PO Box 13420 City/State: Springfield, IL 62791
Contact Person: James P Bruner Title: President
Phone: 217.546.6192 Fax: Not Provided
Email: ronald.olson@ucm.biz

Procurement Bulletin Reference Number: Letting Items 76,164 Date Posted to Bulletin: 5/10/2013

CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: Item 76: This project consists of patching and resurfacing on Illinois Route 121 from 2200th Avenue and continues east to 2300th Ave. in Latham. Item 164: This project consists of patching, milling and resurfacing on Illinois Route 48 from Pershing Road to Cundiff Road in Decatur.

Total Contract Amount (Estimate if actual is unknown): \$ Item 76: \$465,741.09; Item 164: \$5,495,360.69

Contract Begin Date: Upon authorization to proceed is received. Department has 45 days from date of bid opening to award. Contract End Date: Item 76: 20 Working Days. Item 164: 105 Working Days

Describe any Renewal Options (i.e. One 2-year Option): No to all.

PROCUREMENT PROCESS

What was the method of procurement used to select this vendor? Competitive Sealed Bidding

If this vendor was selected using a competitive process, how many vendors responded to the bid? Item 76: 1; Item 164: 1.

Were any vendors disqualified? No If yes, please explain why.

If a multiple award, how many vendors were awarded a contract? Not a multiple award.

Were there any instances of low vendor rejections? No If yes, please explain why.

EXPLANATION OF POTENTIAL CONFLICTS OF INTEREST

For each individual identified as causing a potential conflict of interest, include the following information: name, relationship (if applicable), Agency of State employment, start date, job title and responsibilities. Indicate if any of the named individuals earn more than \$106,447.20 and explain the potential conflict of interest.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Dr. Cullinan is an individual holds an interest in UCM in excess of the statutory thresholds. Illinois Valley Paving is a division of UCM, as this is why this is being disclosed on UCM's disclosure and all disclosures for the divisions of UCM.

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 - b. End Date: 6/30/2012
 - c. Contract # 9903001

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

If a prime vendor, did they disclose their use of lobbyists? ☐ Yes ☒ No
If yes, did the lobbyists lobby on behalf of the vendor to secure this contract? ☐ Yes ☐ No

PROVIDE A WRITTEN STATEMENT SIGNED BY THE AGENCY REPRESENTATIVE FOR YOUR AGENCY STATING:

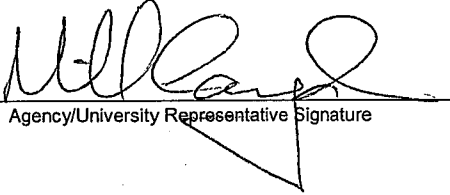
1. Is the conflict an actual conflict and whether or not any of the above named individual(s) were in a position to influence the State's award of this contract.

No it's potential. Dr. Cullinan will not be influencing the execution of this procurement.

2. Why is it in the best interest of the State to proceed with this contract.

These procurements are for State Route maintenance and repair. These are central to the Department's mission of maintaining safe travel for the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE



Agency/University Representative Signature

Michael Layden

Agency/University Representative Printed Name

6/28/2013

Date

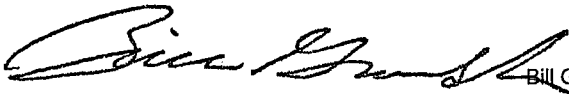
217.782.7806

Agency/University Representative Telephone

jim.layden@illinois.gov

Agency/University Representative Email Address

CPO SIGNATURE REQUIRED



Bill Grunloh

CPO Signature

CPO Printed Name

6/28/2013

Date

217.558.5434

CPO Telephone Number

bill.grunloh@illinois.gov

CPO Email Address